

BELLSOUTH

EX PARTE OR LATE FILED

Karen B. Possner
Executive Director
Legislative & Regulatory Policy

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July 24, 1996

Ex Parte

Mr. William F. Caton
Acting Secretary
Federal Communications Commission
1919 M Street, N.W., Room 222
Washington, D.C. 20554

DOCKET FILE COPY ORIGINAL

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JUL 24 1996

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

Re: First Order on Reconsideration, CS Docket No. 96-46

Dear Mr. Caton:

This notice of an oral *ex parte* presentation in the above-referenced proceeding is provided for inclusion in the public record in accordance with the Commission's *ex parte* rules.

The undersigned met today with the following Cable Services Bureau staff: Rick Chessen - assistant chief, policy and rules division; Gary Laden - chief, consumer protection and competition division; John Logan - deputy bureau chief; Jo-Ann Lucanik - chief, policy and rules division; Joy Roberson - attorney; David Roberts - assistant chief, consumer protection and competition division and Larry Walke - senior attorney to discuss the First Order on Reconsideration in CS Docket No. 96-46, released July 23, 1996. Michael Tanner, BellSouth Telecommunications, Inc. and Tom Rawls, BellSouth Interactive Media Services also participated in the meeting by telephone.

The Order gives video dialtone (VDT) providers ninety days from release of final open video system (OVS) rules to elect to provide service under one of four permissible delivery options: wireless, common carrier video, cable or OVS. The purpose of today's meeting was to clarify procedures necessary to convert a VDT system to an open video system. The attached documents, which describe BellSouth's VDT trial in Chamblee, Georgia and were distributed at the meeting, are provided for inclusion in the record.

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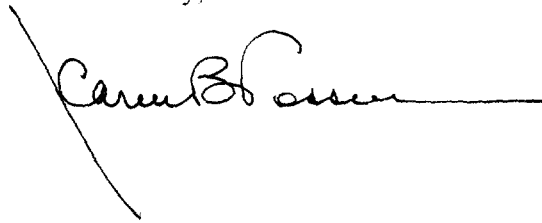
Mr. William F. Caton

July 24, 1996

Page 2

Please direct questions regarding this matter to the undersigned.

Sincerely,

A handwritten signature in cursive script, appearing to read "Carol B. Chess", with a long horizontal line extending to the right. A diagonal line is drawn across the signature from the top left.

Attachments

cc: Rick Chessen
Gary Laden
John Logan
Jo-Ann Lucanik
Joy Roberson
David Roberts
Larry Walke

RECEIVED

JUL 24 1996

delay the introduction of competitive video services presented by video dialtone until competition in the provision of local telephone service is authorized.¹³¹ We note that, although the provision of local exchange service is not yet fully competitive in Georgia, the Public Service Commission allows competition in both intrastate interLATA service and intraLATA toll service.¹³² In addition, CTAG's pending pole attachment complaint does not require that we suspend consideration of BST's application or outright rejection of the application. The Commission is currently considering the merits of CTAG's complaint, and even if the Commission finds the new pole attachment rates to be unreasonable, this would not warrant denying BST's subscribers the benefits of video dialtone.

IV. CONCLUSION

50. Based on our review of the record, we grant BST's application to conduct an 18-month trial of video dialtone service in portions of Chamblee and DeKalb County, Georgia, subject to the conditions imposed above. We find that BST's proposal meets the requirements of the Video Dialtone Order, Video Dialtone Reconsideration Order, and Section 214 of the Communications Act. Our approval of this application is subject to any rules resulting from any applicable rulemaking and to any determination regarding CTAG's pole attachment complaint.

V. ORDERING CLAUSES

51. Accordingly, IT IS ORDERED, that, pursuant to Section 214 of the Communications Act of 1934, as amended, 47 U.S.C. § 214, and authority delegated to the Chief of the Common Carrier Bureau by Section 0.291(a) of the Commission's rules, 47 C.F.R. § 0.291(a), the application of BellSouth Telecommunications, Inc. (File No. W-P-C-6977) IS GRANTED, and the applicant is authorized to construct and operate facilities and equipment to provide a video dialtone trial to no more than 12,000 homes in the Chamblee and DeKalb County, Georgia service area for a period of eighteen (18) months from the date the system is operational and service is available to at least one end-user subscriber. We instruct BST to inform the Secretary of the Commission and the Chief of the Common Carrier Bureau, of the official start date of the technical phase and also of the official start date of the market trial phase of the trial. *

131 See Video Dialtone Reconsideration Order at n.66, paras. 142, 267.

132 NARUC Report on the Status of Competition in Intrastate Telecommunications, Nat'l Ass'n of Regulatory Utilities Commissioners, at 36-37 (Sept. 1994). The NARUC report indicates that 19 facilities-based carriers and nearly 300 resellers provide intrastate interLATA service. Id. at 36.

52. IT IS FURTHER ORDERED, that grant of the application for the trial proposed herein IS SUBJECT TO the following CONDITIONS:

- a) That BST make available a basic common carrier platform offering sufficient capacity to serve multiple video programmers under the same terms and conditions and, as demand increases, undertake all reasonable steps to expand capacity to the extent technically feasible and economically reasonable within the context of this trial. BST may not allocate more than fifty percent of the platform's analog channel capacity to any one customer-programmer.
- b) That BST notify the Chief, Common Carrier Bureau (with copies to the Chiefs of the Policy and Program Planning Division and the Domestic Facilities Division) within thirty (30) days of becoming aware of a capacity shortfall and of BST's plans for addressing a deficiency, or within five (5) days after denying a video programmer access to the video dialtone platform because of capacity limitations, whichever occurs first. If BST concludes that expansion of the platform's capacity for the trial is not technically feasible or economically reasonable, it must, at that time, explain in detail the basis for its determination.
- c) That if BST's technical trial passes in excess of 2,500 homes, BST charge trial participants at tariffed rates after no more than thirty (30) days of free trial service.
- d) That BST inform participants in the trial, including both programmer-customers and end user-subscribers, that BST is conducting a trial of video dialtone services, that the trial is limited to 18 months, and that BST may or may not offer video dialtone on a commercial basis after the conclusion of the trial.
- e) That if BST establishes a limited enrollment period for customer-programmers, such period must be at least thirty (30) days in length. If there is platform capacity available at the end of the enrollment period, BST must initiate an additional enrollment period or offer this capacity on a first-come, first-served basis.
- f) That BST take reasonable measures to inform potential customer-programmers of any enrollment period, such as by placing an announcement in industry trade journals.
- g) That BST comply with any rules or policies adopted in the rulemaking proceeding commenced by the Commission's Fourth Further Notice of Proposed Rulemaking, CC Docket 87-266, released January 20, 1995.
- h) That to the extent BST provides any marketing, promotional, or sales referral services to a video programming affiliate in connection with this trial, BST offer such services to all other video programmers participating in the trial on the same terms and conditions. BST must also offer transport service, interconnection, and interoperability for unaffiliated video programmers that are equivalent to that provided to an affiliated video programmer. BST must submit to the Commission copies of all promotional materials and descriptions of all marketing activities directed at encouraging video programmers to use BST's video dialtone service.

i) That BST create two sets of subsidiary accounting records for each Part 32 account: one to capture the revenues, investments, and expenses wholly dedicated to the provision of video dialtone, and the other to capture any revenues, investments, and expenses that are shared between video dialtone and the provision of other services. BST must file three (3) copies of summaries of those records for public inspection with the Secretary of the Federal Communications Commission on a quarterly basis. Two (2) copies of the summaries must also be served on the Chief, Accounting and Audits Division, Common Carrier Bureau. BST is further required to keep subsidiary accounting records to identify, by each Part 32 account, the amount of plant that is replaced (that is, no longer used and useful) as a result of the deployment of video dialtone plant. In the event that investments made pursuant to this authorization are not deemed used and useful or deemed not to have been prudently incurred in the provision of interstate services, the Commission reserves the right to disallow the recovery of any or all such expenditures from interstate ratepayers. In the event BST wishes to offer local exchange and exchange access telephone service over the broadband network during the trial, it must first submit and obtain approval of an accounting and cost allocation plan.


j) That BST file all revisions to its Cost Allocation Manual (CAM) within thirty (30) days after release of this Order, and sixty (60) days before providing non-regulated products or services related to video dialtone. BST must also list all accounts affected by its provision of non-regulated services associated with the video dialtone service, and must describe those services.

k) That BST submit to the Chief, Common Carrier Bureau, at six month intervals during the trial, and within sixty (60) days of the end of the trial, a written report. The report must, among other things:

- 1) identify the capacity allocated to each video programmer-customer and the identity of the programmer-customer;
- 2) include a statement from each video programmer or other service provider using BST's services stating whether that programmer/service provider believes it has been discriminated against by BST in any manner;
- 3) describe the video dialtone technology used during the trial. BST must include information on the components of its video dialtone system, including the methods of accessing the platform available to customer-programmers and subscribers and the digital technology incorporated into the network and its impact on capacity;
- 4) to the extent known, evaluate the market for video dialtone service, providing penetration rates on a monthly basis, and describing consumer interest in on-demand video services and consumer willingness to pay for video dialtone service;
- 5) include any published commentary of which BST is aware regarding the trial.

53. IT IS FURTHER ORDERED, that pursuant to Section 214(c) of the Communications Act of 1934, as amended, 47 U.S.C. § 214(c), the grant of BST's application to provide video dialtone service is subject, from the date of release of this grant, to the conditions contained herein, and is also subject to any Commission rules or orders that result from any existing or future proceeding or proceedings that address video dialtone cost allocations, jurisdictional separations, and pricing issues. Failure of the BellSouth Telecommunications, Inc. to decline this authorization as conditioned within thirty-one (31) days from its release date will be construed as formal acceptance.

FEDERAL COMMUNICATIONS COMMISSION


Kathleen M.H. Wallman
Chief, Common Carrier Bureau

BELLSOUTH

Suite 900
1133 - 21st Street, N.W.
Washington, D.C. 20036
202 463-4100

Karen B. Possner
Executive Director - Legislative and Regulatory Policy

April 14, 1995

Ex Parte

Mr. William F. Caton
Acting Secretary
Federal Communications Commission
1919 M Street, N.W., Room 222
Washington, D.C. 20554

Re: Section 214 Filing, File No. W-P-C-6977 and CC Docket No. 87-266

Dear Mr. Caton:

This notice of an oral ex parte presentation in the above-referenced proceedings and the attached material are provided for inclusion in the public record in accordance with the Commission's ex parte rules. BellSouth representatives met on 4/13/95 with A. Richard Metzger, Jr., Kathleen Levitz, Todd F. Silbergeld and Kalpak Gude of the Common Carrier Bureau.

Representing BellSouth were Michael Tanner, General Attorney, BellSouth Telecommunications, Inc., Ray Vogel, Assistant Vice President, BellSouth Telecommunications, Inc. and the undersigned.

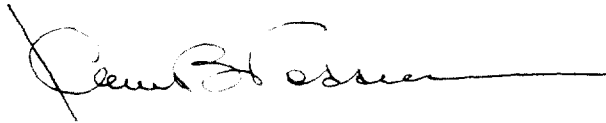
The purpose of the meeting was to present a status report on the open enrollment period held in connection with BellSouth's Chamblee, Georgia VDT trial and to discuss channel allocation options. Three documents are attached. The first sets forth information pertaining to the fourteen requests for capacity on the Chamblee VDT platform. The other two describe options for allocating capacity on that platform.

In addition, BellSouth expressed support for the position of SBC, Corp. in Comments filed 12/16/94 in the Third Further Notice of Proposed Rulemaking, in CC Docket No. 87-266, that "it would serve no legitimate public interest to permit cable companies to lease VDT capacity." More specifically, BellSouth supports prohibiting a cable company from leasing capacity on a VDT platform located in the cable company's franchise area.

Mr. William F. Caton
April 14, 1995
Page 2

Please direct any questions regarding this matter to the undersigned.

Sincerely,

A handwritten signature in dark ink, appearing to read "Paul H. Rosen", with a long horizontal line extending to the right.

Attachments

cc: A. Richard Metzger, Jr.
Kathleen Levitz
Todd F. Silbergeld
Kalpak Gude

APPLICATIONS FOR CHANNELS
Open Enrollment Period (March 4 - April 3, 1995)

COMPANY	APPLICATION RECEIVED	ANALOG CHANNELS REQUESTED (70 available)	DIGITAL BROADCAST CHANNELS REQUESTED (160 available)	DIGITAL SWITCHED CHANNELS REQUESTED (480 available)
A	3/27/95	35	100 → 80	165
B	3/28/95	35	100 → 80	165
C	3/31/95	32	30	
D	3/31/95	1		
E	3/31/95	1		
F	4/02/95	22	66	
G	4/03/95	1		100
H	4/03/95	35	40	
I	4/03/95	35		
J	4/03/95	35		
K	4/03/95	35	117 → 80	
L	4/03/95	35	130 → 80	20
M	4/03/95	35		
N	4/03/95	35		
Total		372	583	450

PRELIMINARY ALLOCATION (1)

COMPANY	ANALOG CHANNELS ALLOCATED	DIGITAL BROADCAST CHANNELS ALLOCATED	DIGITAL SWITCHED CHANNELS ALLOCATED
A	7	28	165
B	7	28	165
C	7	11	
D	1		
E	1		
F	4	23	
G	1		100
H	6	14	
I	6		
J	6		
K	6	28	
L	6	28	20
M	6		
N	6		
Total	70	160	450

PRELIMINARY ALLOCATION (2)

COMPANY	ANALOG CHANNELS ALLOCATED	DIGITAL BROADCAST CHANNELS ALLOCATED	DIGITAL SWITCHED CHANNELS ALLOCATED
A	4	28	165
B	35	28	165
C	4	11	
D	1		
E	1		
F	3	23	
G	1		100
H	3	14	
I	3		
J	3		
K	3	28	
L	3	28	20
M	3		
N	3		
Total	70	160	450

Michael A. Tanner
General Attorney

BellSouth Telecommunications, Inc.
Legal Department - Suite 4300
675 West Peachtree Street, N.E.
Atlanta, Georgia 30375
Telephone: 404-614-2090
Facsimile: 404-658-9022

April 28, 1995

Ms. Kathleen M. H. Wallman
Chief, Common Carrier Bureau
Federal Communications Commission
Room 500
1919 M Street, N.W.
Washington, D.C. 20554

Re: Application of BellSouth Telecommunications, Inc.
(File No. W-P-C-6977)

Dear Ms. Wallman:

In accordance with the Order And Authorization (DA 95-181) released February 8, 1995, BellSouth Telecommunications, Inc., ("BST") established a limited enrollment period during which customer-programmers could request capacity on BST's trial video dialtone ("VDT") platform. The enrollment period began on March 4, 1995, and ended on April 3, 1995.

During the enrollment period, 14 customer-programmers, one of which is a BST affiliate, requested 372 analog broadcast channels, 583 digital broadcast channels, and peak-load capacity of 450 simultaneous digital interactive sessions ("digital switched channels"). After the close of the enrollment period, BST contacted all applicants to verify their requests. During that process, one programmer requested an additional 50 digital switched channels. BST's platform will provide 70 analog broadcast channels, 160 digital broadcast channels, and 480 digital switched channels. BST became aware of this capacity shortfall on March 31.

Page -2-

Ms. Kathleen M. H. Wallman

April 28, 1995

BST has considered the following means of dealing with the shortfall:

1. **Expansion of the platform.** In order to provide sufficient capacity to satisfy all requests, BST would, among other things, have to connect five coaxial cables to every subscriber location. Construction of the additional cables and other facilities necessary to provide such capacity is not technically feasible or economically reasonable - particularly in the context of a trial.
2. **Reconfiguration of channel capacity.** This approach would not eliminate the shortfall.
3. **Channel Sharing.** Channel sharing would not remedy the shortfall.

In lieu of these approaches, BST has tentatively decided to allocate channels to all applicants on a proportional basis and file a tariff for such allocation. If you have any questions or need additional information, please call.

Sincerely,

A handwritten signature in dark ink, appearing to read "Michael A. Tanner". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Michael A. Tanner

cc: James D. Schlichting, Chief, Policy and Planning Division
James R. Keegan, Chief, Domestic Facilities Division

BELLSOUTH

Karen B. Possner
Executive Director
Legislative & Regulatory Policy

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November 30, 1995

Ex Parte

Gayle Radley Teicher
Attorney
Policy and Program Planning Division
Common Carrier Bureau
Federal Communications Commission
1919 M Street, N.W. - Room 544
Washington, D.C. 20554

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NOV 30 1995

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

Re: BellSouth's Computer III Market Trial Notification for
Chamblee Video Dialtone Trial - CC Dkt. No. 88-616

Dear Ms. Teicher:

This letter responds to a series of questions you have posed regarding BellSouth's video dialtone trial in Chamblee, Georgia. You have asked when we plan to start service in our trial. In accordance with ¶ 51 of BellSouth's *Section 214 Order*, our technical trial will begin when "service is available to at least one end-user subscriber." That event will occur sometime after participating video programmers begin to offer their services to the public. We do not expect this to occur before January 1996. Once service has been made available to one end user, BellSouth will notify the Commission of the official start date for the technical trial. The official start of the market phase of the trial will occur when BellSouth begins to charge programmers for use of the video dialtone platform under an effective trial tariff. As required by ¶ 51, BellSouth will notify the Commission when the market trial phase begins.

You also have asked when BellSouth plans to file its trial tariff. The filing date is dependent on the progress of the technical trial, but is likely to occur during the First Quarter of 1996. BellSouth's Part 69 Waiver will be filed simultaneously with the trial tariff, as permitted by the Public Notice released February 10, 1995 (DA 95-211). Initially, the technical trial will be limited to a small portion of the authorized trial area. It will be expanded as BellSouth's experience with operation of the basic platform permits, but will not pass more than 2,500 households until BellSouth has an effective trial tariff, as prescribed in ¶ 52(c) of the *Section 214 Order*.

You also have asked about the allocation of capacity during the trial. Early this year, BellSouth conducted a limited enrollment period for customer-programmers, during which over 80 parties responded to our trial promotion. Of those, fourteen applied for channel capacity greatly exceeding the capacity of our trial platform. For the technical trial, BellSouth has allocated capacity among those 14 programmers in proportion to their request for channel capacity, as related in BellSouth's letter to Kathleen Wallman dated April 28, 1995. BellSouth's trial tariff will contain procedures for the allocation of channel capacity for the market trial and for the assignment of any capacity that may become available during the trial.

In addition, you asked us to identify the trade journals in which BellSouth advertised its open enrollment period. Ads appeared in *Daily Variety* on 3/3/95, *Interactive Age* on 3/13/95 and *Multichannel News* also on 3/13/95. The circulation of these publications is 26,200, 80,000 and 18,400, respectively. As a result of a 3/1/95 press release announcing the start of the open enrollment period, notices also appeared in *Broadcasting & Cable TV Fax*, *Interactive Television Report*, America Online, and the *TV News Clips*; WSB Radio in Atlanta also covered the announcement.

The ad prepared by BellSouth announced that we were conducting an interactive TV trial in Chamblee, Georgia and that programmers were invited to apply for one or more analog and/or digital channels. It contained a 4/3/95 cut-off date, the name and telephone number of the BellSouth contact and described categories of services supported by the trial including traditional broadcast entertainment, movies on demand, interactive video services, such as games, transactional services and enhanced computer and communications services, such as access to on-line services.

You also asked us to provide detailed descriptions of the new basic services we plan to offer in our trial. The satellite link will provide a synchronous analog connection in the L band (950 to 1450 MHZ) between programmer locations, such as satellite earth stations, and headends. The analog video access link will provide a connection consisting of 6 MHZ analog channels between programmer locations and the video dialtone video control office (VCO). The digital video access link will provide a connection capable of transporting multiple 3MB or 6MB MPEG2 digital video channels or data in TCP/IP protocol between programmers' locations and the VCO.

The new basic services also will include distribution network services that will provide connectivity between programmers' analog or digital connections in the VCO and subscribers' locations, as follows: (1) analog broadcast channels will distribute 6 MHZ analog signals to all subscriber locations; (2) digital broadcast channels (one-way) will distribute 3MB or 6MB MPEG2 digital signals to all subscriber locations; (3) digital broadcast channels with limited access will distribute 3MB or 6MB MPEG2 digital signals to all subscriber locations with limited signaling from subscribers to programmers to enable, for example, program selection and authorization for services such as near-video-on-demand; (4) digital switched services will

Gayle Radley Teicher - 3

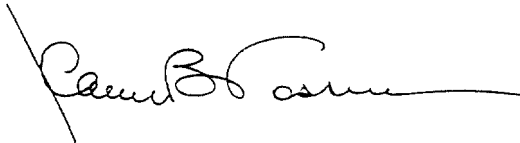
provide switched 3MB and 6MB MPEG2 digital connections between individual subscribers and programmers with limited signaling from subscribers to programmers; and, (5) personal computer data services will provide two-way packet connections for data transport in TCP/IP protocol with 27MB from programmers to subscribers and 90KB from subscribers to programmers.

No other services are required for transmitting programming and signals between programmers and subscribers. Existing tariffed services may be required for establishing business offices and connecting to operations support systems; collocation services will be provided upon request.

Finally, you asked for clarification of our customer notification procedures outlined in our Notification of Market Trial dated 10/2/95 and the Erratum dated 10/3/95. Throughout our communications with programmers, we have informed them that BellSouth is conducting a trial, that the trial is limited to 18 months, and that BellSouth may or may not offer the trial services on a commercial basis after conclusion of the trial. Prior to connecting subscribers, we will inform them that we are conducting a trial, that the trial is limited to 18 months, and that we may or may not offer the trial services on a commercial basis after conclusion of the trial. This information will be transmitted in writing to all trial participants.

I hope the foregoing is responsive to your concerns. Do not hesitate to call if you require additional information or have questions about the above.

Sincerely,

A handwritten signature in dark ink, appearing to read "William F. Caton", with a long horizontal flourish extending to the right.

cc: William F. Caton
Acting Secretary

BELLSOUTH

Karen B. Possner
Executive Director
Legislative & Regulatory Policy

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February 28, 1996

Ex Parte

Regina Keeney, Chief
Common Carrier Bureau
Federal Communications Commission
1919 M Street, N.W. - Room 500
Washington, D.C. 20554

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FEB 28 1996

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

Re: Application of BellSouth Telecommunications, Inc., File No. W-P-C-6977

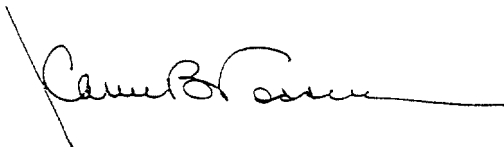
Dear Gina:

The enclosed letter from Jim Whitehead, Marketing and Sales Manager for BellSouth Telecommunications, Inc. to Mark Greenberg of Vanguard Cable Corporation summarizes the current status of BellSouth's video dialtone (VDT) trial in Chamblee, Georgia. It also notes that, consistent with options provided by the Telecommunications Act of 1996, we intend to start our VDT trial as a cable system assuming we receive the necessary franchises from the City of Chamblee and DeKalb County. The purpose of the letter is to inform Vanguard that if the trial proceeds as a cable system, BellSouth will not offer channel capacity to independent programmers. Identical letters were sent to the other thirteen programmers on BellSouth's video dialtone platform.

Representatives of BellSouth recently met with Common Carrier Bureau and Cable Services Bureau staff to discuss this situation. We will continue to keep you informed as our plans evolve.

I would be happy to respond to any questions you may have about this matter.

Sincerely,



Enclosure

BellSouth
Telecommunications, Inc.
Suite 420
500 Northpark Town Center
1100 Abernathy Road, N.E.
Atlanta, Georgia 30328

February 23, 1996

Mark Greenberg
Vanguard Cable Corporation
One American Center
Suite 3000, 600 Congress
Austin, TX 78701

Dear Mark:

Although we have been proceeding with video dialtone service for the Chamblee Trial, the recently enacted Telecommunications Act of 1996 makes it clear that telephone companies have multiple options for entering the video programming business. It also terminates the FCC's video dialtone rules, but grandfathers existing video dialtone authorizations, such as the Chamblee Trial authorization.

Consistent with the Act, BellSouth is actively pursuing cable franchises from DeKalb County and the City of Chamblee. If those franchises are granted in a timely manner, we will start the video trial as a cable system rather than video dialtone service. In that event, BellSouth will not be offering channel capacity to you or any other independent programmers, except as required of cable operators.

If franchises cannot be obtained in time to start the trial, we may proceed under any option authorized by the Act, including our existing video dialtone authorization, under which we would continue to make channel capacity available to you and other independent programmers.

In the event that we do proceed under our video dialtone authorization, we plan to make marketing services available to programmers. Please let me know if you are interested.

We regret the uncertainty of this situation. Nevertheless, we want you to be fully advised of these circumstances so you can take them into account as you make your plans. We will notify you as soon as possible regarding the future direction of the trial. Please call me at (770) 392-5663 with any questions.

Sincerely,



E. C. (Jim) Whitehead, III
Manager Marketing and Sales

cc: Regina Keeney, Chief - Common Carrier Bureau, Federal Communications Commission

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Executive Director
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1 APR 26 1996

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

April 26, 1996

Ms. Regina Keeney
Chief
Common Carrier Bureau
Federal Communications Commission
1919 M Street, N.W. - Room 500
Washington, D.C. 20554

Re: Application of BellSouth Telecommunications, Inc. (W-P-C-6977)

Dear Ms. Keeney:

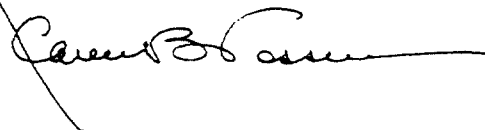
On February 8, 1995, the Commission granted BellSouth's application for authority to conduct a trial of video dialtone service in Chamblee, Georgia and nearby communities in unincorporated Dekalb County, Georgia.

On April 16, 1996, BellSouth Interactive Media Services, Inc., was awarded a franchise to provide cable service in the City of Chamblee. The purpose of this letter is to inform you that, as a consequence of receiving this cable franchise, BellSouth no longer plans to conduct a video dialtone trial in the City of Chamblee.

In addition, BellSouth is seeking a franchise to provide cable service in the remainder of the trial area, which is in unincorporated Dekalb County. BellSouth, however, reserves its right to proceed with its plans to conduct a video dialtone trial in that area if a cable franchise is not granted in a timely manner.

I will contact you again if there are any further changes to our plans to conduct a video dialtone trial in unincorporated Dekalb County. Do not hesitate to contact me if you have any questions concerning this matter.

Sincerely,



cc: Meredith J. Jones, Chief
Cable Services Bureau